

NEWS

WIN WIN SOLUTIONS 4 AFRICA
CONSULTING (Pty) Ltd



OF THE WEEK

16 January 2017 – 20 January 2017



MOZAMBIQUE

20 January 2017

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Friday, 20 January 2017

Social Welfare

Heavy rains have not solved Maputo's water crisis

AIM

Heavy rains fell across virtually all of Mozambique over the past ten days, according to the National Meteorology Office (INAM) – with the crucial exception of the far south, which is in desperate need of rain.

Figures announced at a Wednesday meeting in Maputo of the Disaster Management Technical Council (CTGD) showed that in the ten day period most of the country received between 300 and 600 millimeters of rain. There were torrential downpours in Maputo and the neighboring city of Matola on Sunday night and Monday morning – 130 millimeters fell on Maputo in 24 hours.

But this did very little to improve the water supply crisis for the Greater Maputo Metropolitan Area. Maputo and Matola are dependent for drinking water on the reservoir at the Pequenos Libombos dam on the Umbeluzi river, and the recent downpours have scarcely touched the upper Umbeluzi valley in Namaacha district, and in neighboring Swaziland.

The surface of the reservoir should be at an elevation of 48 meters above sea level – but it is currently at only 33 meters above sea level. Recent rains have made a difference of “just a few centimeters”, according to Rute Nhamucho, of the National Directorate of Water Resources (DNRH).

The reservoir remains just 13 per cent full, and is discharging water at the rate of two cubic meters a second. The normal rate would be at least three cubic meters a second – but if water left the reservoir at that rate, the reservoir would be completely dry by July.

The Maputo Regional Water Company (AdeM) has banned the use of Umbeluzi water for irrigation, construction and all purposes other than human consumption. It has also rationed supplies – each neighborhood in Maputo and Matola cities and the district of Boane receives water on alternate days. AdeM hopes that these restrictions will be enough until the next rainy season, beginning in October, replenishes the reservoir.

But the DNRH's calculations show that, even if discharges are reduced to 1.5 cubic meters a second, the Pequenos Libombos reservoir will run out of water by September. There is also no guarantee that the next rainy season will bring the amounts of water needed.

Alternative sources of water are under consideration. Water could be brought to Maputo from the Incomati basin, and engineering work is currently under way to improve the Corumana dam on the Incomati's main tributary, the Sabie river. When the Moamba Major dam is built on the Incomati, its reservoir could also supply water to the capital. But these are long term solutions.

There are also sources of ground water that could be considered. The most productive aquifers near Maputo are in Marracuene and Manhiça districts, respectively 30 and 80 kilometers to the north. But flows from aquifers are measured, not in cubic meters per second, but in cubic meters per hour, and there is no infrastructure currently in place to pump and move the water.

As for the rest of the country, it has been raining steadily in Gaza and Inhambane provinces, and throughout central Mozambique. The forecast for the rest of the month is continued rain, particularly in the Zambezi valley.

Several rivers have reached alert level – notably the Limpopo in Gaza, and the Pungue and Buzi in Sofala, but are not expected to cause any serious flooding. On the country's largest river, the Zambezi, the reservoir at the Cahora Bassa dam is only 42 per cent full. The dam is discharging 1,500 cubic meters a second – which is enough to keep the turbines operating and generating power.

Water Shortages

Private water distributors dissatisfied with distance from sources

O Pais

The water company in Maputo retreated from the decision to suspend the supply of water to tankers - due to the situation of water shortage in the river Úmbeluzi, which is conditioning the water supply in the region of Maputo. Private operators are dissatisfied with the location of some shortages. One of them is located in the district of Intaka, in the Municipality of Matola. Franco do Canto, who is one of the operators, says there are many constraints. "The road is badly damaged, which is a loss for all of us, it's hard to get around. With the water crisis, we do not have many alternatives. Some time ago we made several trips, but now it's difficult. I leave Matola and I can only make two trips at most and the consumers often don't know about all these operational costs"

Another interviewee Samuel Banze, a driver of one of the tankers who also deplored the situation. "In addition to the access road, the conditions created for the filling of tanks, leave little to be desired. Due to the condition of the land, I had difficulty parking the truck, I had to ask them to tow me to leave the place where I had buried. In addition, one of the shots is not working, which means that we spend a lot of time here in line. It's also that we spend more fuel to get here compared to other places, "he said.

Drill managers complain with lack of customers

Amado Mário who manages the filling process of the trucks said that the number of customers is determined by the location of the place. "Customers complain about the condition of the road. Some of them say they cannot enter here because they fear that their trucks could may incur damage, "said Amado, who added that the situation has been critical for days. "In a few days we sit here waiting for cars and only see between one and two cars. Water suppliers through tanker trucks supply neighbourhoods in the city of Maputo, Matola and Boane, neighbourhoods that are not covered by the Waters of the Maputo region.

Governance

Matola mayor threatens to demolish illegal structures

AIM

The mayor of the southern Mozambican city of Matola, Calisto Cossa, has warned that the municipal council will soon resume the demolition of buildings and other structures built in places that obstruct the drainage of storm waters.

He was speaking to reporters on Tuesday as he visited areas of the city that had been severely hit by torrential rains on Sunday night and Monday morning. Many houses had been flooded, affecting around 5,000 households.

Cossa said that, in most cases, houses and streets were flooded because the water had nowhere to go. This was because structures had been built on top of the natural drainage lines, thus making it impossible for the storm water to flow into the drainage system and down to the sea. This was very clear in the Fomento neighbourhood, where Cossa found that a wall had recently been built that blocked the passage of storm waters.

"This comes as a surprise to us", said Cossa, "since we were here in December cleaning up this place precisely so that we could deal with heavy rains". He suspected that the wall had been built clandestinely at night. It would now have to be demolished. "We will have to remove it to ensure that the waters from the neighborhoods of Liberdade, Nkobe and Kilometer 15 can follow their path to the sea".

"We will have to act immediately to guarantee that the life of citizens returns to normal and to avoid further constraints", said the Mayor. Intervention by the municipality was required to avoid any further incidents resulting from construction in places where building is forbidden. "These phenomena force nations to redouble their efforts to find sustainable, durable and inclusive solutions at national, regional and international levels," said the Head of State.

Regarding our country, Nyusi said that while Mozambicans were committed to the pursuit of peace and development, they faced constraints resulting from the impacts of the global economic and financial crisis. "We live low levels of national production due to the drought in the southern region of the country and the floods in the central and northern regions. The combination of these factors is reflected in the slowdown in economic growth," said Nyusi, adding that this year began with yet another adversity whose solution requires government intervention in depth.

"The Government is providing adequate assistance to restore the normal lives of the population by providing shelter, food and some material for the reconstruction of destroyed houses," said the Head of State.

Foreign Affairs

Brexit compromises Mozambique's access to the European market

O Pais

British Prime Minister, Theresa May, presented this week a plan to exit the United Kingdom from the European Union (EU). One of the most contentious and speculative questions since the vote last year was whether Britain would continue to be part of the European common market. But the prime minister was categorical: this is not going to happen.

"Staying in the market would mean accepting the bloc's regulations without having a voice in their establishment," said the minister, vowing nevertheless to push for maximum access to the European market.

According to May, participating in the customs union (free trade area with common external tariffs) would prevent the UK from negotiating its own agreements with other countries.

Aid reduction for Africa

The United Kingdom is a member of the European Union, one of the donors of the Mozambican State Direct Budget and financier of several social and other initiatives. The EU has established a common market through a standardized system of laws applicable to all Member States.

"Given the UK position in the EU, as one of the most consistent donors, but also one of the countries that contributes most to the EU budget for aid and development, the exit would have a substantial impact not only on the amount given in development aid for sub-Saharan Africa, but also in how it is spent and its effectiveness," Uzo Madu, a British analyst of Nigerian descent, told Deutsche Welle.

Impact on trade for Africa and Mozambique

At present, trade relations between the EU and Africa are set out in the Cotonou Agreement, signed in 2000, and a series of Economic Partnership Agreements between the EU and the Regional Economic Communities.

When leaving the EU, it will not have any obligations with the laws of the organization and its economic or political relationship with other countries, including Mozambique, should be independent and may undergo a possible restructuring to change the regulations in force in the European body.

Moreover, one of the assumptions of the British prime minister, for the United Kingdom's non-participation in the customs union, was the possibility that the country did not create its own laws in relation to other markets.

Additional Information from Win Win Solutions 4 Africa:

The last aid agreement between the EU and Mozambique, occurred in November last year the European Union said they will support Mozambique with funding of US\$740 million to the state budget over the next five years for investment in water supply, renewable energy, agriculture and job creation programmes in rural areas, said the EU ambassador to Mozambique.

The United Kingdom aid relationship with Mozambique, took enormous strain when the IMF discovered hidden public debt amounting to \$1.2 billion was discovered by the IMF in April 2016. Subsequently the The British government announced that it is suspending financial aid to Mozambique.

A spokesperson for the British Department for International Development (DFID), cited in the British government statement, said "the existence of the loans, and the lack of transparency around them, is deeply disappointing", and warned of "serious implications for Mozambique's economy for the medium-term".

Public Debt

IMF denies claiming there are other “undisclosed debts”

AIM

The International Monetary Fund (IMF) has categorically denied claims made in some of the Mozambican media that the IMF has accused the Mozambican government of concealing further “undisclosed debts”.

On Tuesday the news sheet “Correio de Manhã”, echoed by the weekly “Magazine Independente”, claimed that IMF Deputy Director Sean Nolan had revealed the existence of other, unspecified hidden debts at an IMF press conference in Washington on 12 January. The IMF promptly issued a denial, pointing out that Nolan “simply made factual statements concerning the absence of a broad-based movement towards debt distress in low-income developing countries. He also stated that the debt situation has, however, worsened in some countries including Mozambique.”

The IMF statement added “While Mr. Nolan confirmed that the previously hidden debt contributed to a worsening of the debt situation in Mozambique, he did not state, contrary to allegations, that undisclosed debts still exist”. The Washington press conference concerned the IMF’s annual report on low income developing countries, and when it came to debt issues Nolan cited Mozambique as “one of a number of high profile examples where things have gone wrong”.

“Mozambique is a good example, where there’s a lot of undisclosed loans that suddenly materialize out of nowhere. They’ve been undertaken by state enterprises”, Nolan said.

He was clearly referring to the government-guaranteed loans for over a billion US dollars, contracted under the previous government, headed by President Armando Guebuza, but which were kept secret from the Mozambican public, and from the government’s international partners, including the IMF.

Those loans only became public knowledge in April 2016. The two loans concerned were to the security-related companies Proindicus (622 million dollars) and Mozambique Asset Management, MAM (535 million dollars). The fact that these loans had not been disclosed led the IMF to suspend its programme with Mozambique, and most other western donors and funding agencies followed suit.

Together with the known 850 million dollar loan to the Mozambique Tuna Company (EMATUM), these government guaranteed loans added 20 per cent to Mozambique’s foreign debt, pushing it to unsustainable levels.

Restoring normal relations with the IMF depends on an independent, international audit of Ematum, Proindicus and MAM to ascertain how all the money was spent. That audit is in the hands of the US company Kroll, regarded as the foremost forensic audit company in the world, and should be completed by the end of February. The IMF’s statement ended with the pledge that “the IMF remains committed to working with the Mozambican authorities to maintain economic stability and achieve inclusive growth”.

Mining & Energy

Mozambican ruby shipment lifts Mustang stocks

Further Africa

Shares in Mustang Resources rose 50% in morning trade as the company announced the first commercial ruby shipment to the US from its Montepuez project in Mozambique.

Mustang Resources sent these special stones, weighing a combined 75 carats, to the United States in its first commercial parcel

Mustang soared by A1.3c to 3.9c after it announced it had sent a parcel of 6221 carats of rubies and corundum to leading American gemstone cutters and jewellers in California, seeking advice on marketing strategies and the range in potential ruby values.

The rising price was good news for the Australian and US investors who bought into the company's oversubscribed placement of 133.4 million shares at 2.1c last month. Mustang managing director Christiaan Jordaan said the shipment would help the company place market values on its rubies as well as growing awareness and understanding of the stones.

"As a result, we will be better placed to estimate the revenue we can generate from our rapidly growing production profile," he said. Prospecting teams at the Montepuez project have been responsible for the recovery of 13,314.76 carats to date, of which 5406 carats were sent to the US.

The remaining rubies in the 6221 carat parcel were recovered from a bulk-sampling program at the deposit, which has recovered 1638.76 carats from a 15,585 cubic metre stockpile of ruby-bearing gravel, with 7290.5cu.m processed so far.

A parcel of five special stones weighing a total of 76.65 carats, including two rare 24 carat high quality rubies, will be cut by specialist gemstone cutter Meg Berry, which Mustang said could help influence the value of the stones. The company says many of its stones are suitable for cutting without heat treatment, with some field experts citing the Montepuez field as the single largest supplier.

The move comes after the company relocated its processing plant closer to its key Alpha ruby deposit and important water sources late last year, which it said was part of a strategy to ramp up production and generate sales revenue. Ramping up production at the facility to its targeted rate of 525 tonnes per day was the first order of business for the quarter, Jordaan said, with initial plant relocation results suggesting the company could triple its throughput rates from prior levels.

Political

President Nyusi assures the Diplomatic Corps: “We are committed to peace”

Noticias

The commitment of Mozambicans remains the maintenance of peace, security and stability, according to a guarantee given yesterday by the President of the Republic, Filipe Nyusi, at the reception to the Diplomatic Corps accredited in Maputo, on the occasion of the New Year.

In view of the achievement of this objective, the Head of State reaffirmed his commitment to dialogue as a path to the rescue of lasting peace, an essential condition for the country's economic growth and the well-being of Mozambicans. In this perspective, Philip Nyusi recalled the importance of establishing partnerships for development.

He emphasized that the peace that the country hopes for, with the temporary suspension of the attacks decreed by Renamo leader Afonso Dhlakama, is framed in the African agenda for sustainable development, which has the merit of including stability and recognition of the importance of the binomial peace And development.

Filipe Nyusi reminded diplomats accredited in Maputo that the year that ended was marked by continuous challenges aimed at achieving peace, security, stability and prosperity in all nations of the world.

According to the President of the Republic, these challenges have been exacerbated by complex phenomena such as the migration and refugee movements, the Ebola epidemic, climatic oscillations, deteriorating terms of trade in international trade, acts of terrorism, among others.

"These phenomena oblige nations to redouble their efforts in pursuit of sustainable, lasting and inclusive solutions at national, regional and international levels," said the Head of State.

Regarding our country, Nyusi said that while Mozambicans were committed to the pursuit of peace and development, they faced constraints resulting from the impacts of the global economic and financial crisis. "We live low levels of national production due to the drought in the southern region of the country and the floods in the central and northern regions. The combination of these factors is reflected in the slowdown in economic growth," said Nyusi, adding that this year began with yet another adversity whose solution requires government intervention in depth.

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News Headlines this week:

Thursday, 19 January 2017

Mining & Energy

Mimbire says that government spends a lot of money to disseminate information on extractive sector

Political

Afonso Dhlakama regrets lack of assistance to refugees

Agriculture

Murrimo Macadamias invests \$ 24 million for macadamia production

Business News

Most Nosso Banco clients have not applied for their money

Environment

Six people die from lightning and heavy rains in Nampula

Public Debt

Debt campaigners demand action as Mozambique defaults

Wednesday, 18 January 2017

Mining & Energy

Mimbire says that government spends a lot of money to disseminate information on extractive sector

Business News

India seeks tariff sops for domestic firms from Mozambique

Public Debt

Mozambique Won't Blink First as Battle with Bondholders Heats Up

Mining & Energy

Three people died after being dragged by rainwater in Maputo

Environment

Rains in the south and center of the country: water continues to complicate life

Agriculture

Farmers in Nampula districts lack key inputs

Tuesday, 17 January 2017

Public Debt

Government fails payment of debt service of EMATUM

Business News

INAE raised 19.2 million meticaais in fines in 2016

Public Health

United Kingdom helps WFP fight malnutrition in Mozambique

Social Welfare

Three people died after being dragged by rainwater in Maputo

Environment

Three people die in rainwater flooding in Maputo

Mining & Energy

Fifth petroleum and gas research competition: Contracts closed until the end of the semester

Monday, 16 January 2017

Economy

Mozambique's economic growth is expected to increase from 2018

Agriculture

"Mastering the technical-scientific knowledge so that the country becomes an agrarian power"
Farmers in Tambara ask government for seeds

Political

Citizens encourage efforts for peace and development

Japan investment in Africa

Rising Japanese Investment in Africa Prompts Law Firms to Ramp up Africa Practices

Business News

Mozambique Channel: Bold move or a pipe dream?

Twitter Feeds



Tom Bowker @TomBowk · 21h

A car has fallen into a sink hole in Maputo, close to the Presidential residence.



Zitamar News @ZitamarNews · 19h

Bus operators restart services in central Mozambique, but remain wary



Bus operators restart services in central Mozambique, but remain w...

Passenger buses linking the cities of central Mozambique have returned to normal following the announcement of a two-month ceasefire in January, ...
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